

assets in the command and will forward this to CDR, DARCOM:

(i) Same as (q)(2)(i) of this section.
 (ii) Same as (q)(2)(ii) of this section.
 (iii) The following statement: The losses and/or damages indicated on the Property Transaction Record in the amount of \$—— represent the total claim by (appropriate Army) relative to (appropriate Army) property loaned to (Boy Scouts of America). Upon settlement and deposit to the proper account, the CINC/CDR, MACOM releases the (Boy Scouts of America) from further obligations.

(iv) Same as (q)(2)(iv) of this section.
 (4) CDR, DARCOM, will review the charges, inspect property to be repaired, if necessary, reconcile any discrepancies and determine final charges to be levied against the supported activity. Approved list of charges will be forwarded to the CINC/CDR, MACOM, for collection, and property being held for repair will be released.

(5) The CINC/CDR, MACOM, will prepare and dispatch a letter to the supporting activity and request payment made payable to the Treasurer of the United States. Upon receipt of payment, collection documents will be prepared and appropriate fiscal accounts, as furnished by the commodity command (military departments) ((q)(2) and (3) of this section) credited. The MACOM Surgeon will take action to reimburse the DLA stock fund for expendable medical supply losses reported. The CINC/CDR, MACOM, will close the Property Transaction Record Account.

(6) The CINC/CDR, MACOM, will advise the CDR, commodity command (military departments and CDR, DARCOM, DA) that settlement has been accomplished. Commodity command (military department) Property Transaction Records will be closed upon receipt of the foregoing advice.

(7) The CDR, DARCOM will advise the CINC/CDR, MACOM, to return the bond to Boy Scouts of America.

(8) In the event of unsatisfactory settlement, the proceeds of the bond will be used to satisfy the claim. The Power of Attorney executed in connection with the agreement will be invoked and proceeds collected from the bond (fig. 7-7).

PART 623—LOAN OF ARMY MATERIEL

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AUTHORITY: 10 U.S.C. 2571; 31 U.S.C. 686; 10 U.S.C. 2667.

SOURCE: AR 700-131, 45 FR 62038, Sept. 18, 1980, unless otherwise noted.

§ 623.1 General.

(a) *Purpose.* This part sets forth policies and procedures for loan of Army materiel. As used in this regulation, the term "loan" includes a lease.

(b) *Applicability.* (1) This regulation applies to all Department of the Army (DA) agencies, commands, installations, and activities.

(2) This regulation applies to the Army National Guard (ARNG) only when the procedure for the loan of equipment under the procedure of National Guard Regulation (NGR) 735-12 does not apply.

(3) This regulation does not apply to loans governed by the DOD Military Assistance and Sales Manual, DOD 5105.38-M.

(4) This regulation does not apply to loans governed by the Defense Acquisition Regulation (DAR).

(c) *Scope.* This part outlines when loans of Army materiel may be made. It gives general procedures for requesting and processing loans, and sets forth

responsibilities, including requirements for reimbursement.

(d) *Explanation of terms.* (1) The terms “loan,” “lease” and “bailment” are contractual terms and are frequently used interchangeably. They have no meaning by themselves. It is necessary to study the statute to see what is required. Usually, a “loan” is thought of as a short-term transfer of property, sometimes with reimbursement; a “lease” is a more formal transfer, often long-term and requiring a fair monetary rental; and a “bailment” is a loosely-used term, generally reserved for a delivery of property to another in trust for the purpose of doing something to the property and then returning the property to the owner. The term “issue” is frequently used in the sense of a transfer of property which will be consumed in use. The terms “gift,” meaning a permanent transfer of property without reimbursement, and “sale,” meaning a permanent transfer with reimbursement, are outside the scope of this regulation.

(2) For additional definitions, see appendix A.

(3) The words “he, him, his” when used in this publication represent both the masculine and feminine genders, unless otherwise specifically stated.

(e) *Loan restrictions.* (1) Army materiel is not normally used for other than the Army’s primary mission; however, under conditions described herein materiel not immediately needed to support mission requirements may be loaned to—

(i) Army and other Department of Defense (DOD) elements.

(ii) Non-DOD Federal departments and agencies.

(iii) Civil governments (State and local).

(iv) Special activities, agencies, and others.

(2) Table 2-1 lists various circumstances where loan of Army materiel might be requested. It identifies the applicable Federal laws or other authority which would authorize such loans.

(f) *Statutory authorities.* There are three basic federal laws which authorize the loan of Army property. There are also numerous specific statutes which authorize particular types of

loans in limited situations. Unless there is a reason to use the specific statute, one of the basic statutes will be used.

(1) The following are the basic statutes:

(i) 10 U.S.C. 2571—Authority for loan of property within DOD.

(ii) 31 U.S.C. 686 (The Economy Act)—Authority for loans to other Federal departments and agencies.

(iii) 10 U.S.C. 2667 (The Leasing Statute)—Authority for loans/leases, including leases to activities outside the Federal Government.

(2) Following are some of the specific authorizing statutes:

(i) 10 U.S.C. 331—Federal aid for State governments as result of insurrection.

(ii) 10 U.S.C. 332—Use of militia and Armed Forces to enforce federal authority.

(iii) 10 U.S.C. 333—Use of militia or Armed Forces to suppress interference with state and federal law.

(iv) 10 U.S.C. 2541—Loan of equipment and barracks to national veterans organizations.

(v) 10 U.S.C. 2542—Loan of equipment to the American National Red Cross for instruction and practice.

(vi) 10 U.S.C. 2543—Loan of equipment to US Presidential Inaugural Committee.

(vii) 10 U.S.C. 2544—Loan of equipment and services to the Boy Scouts of America, for national and world jamborees.

(viii) 10 U.S.C. 2572—(See AR 870-20.) Loan of books, manuscripts, works of art, drawings, plans, models, and condemned or obsolete combat materiel not needed to—

(A) A municipal corporation.

(B) A soldiers monument association.

(C) A state museum.

(D) A nonprofit incorporated museum.

(E) Posts of Veterans of Foreign Wars of the USA.

(F) American Legion Posts.

(G) A local unit of any other recognized war veterans association.

(H) A post of the Sons of Veterans Reserve.

(ix) 10 U.S.C. 4308—Establishment and support of civilian rifle ranges.

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(x) 10 U.S.C. 4311—Issue of rifles and ammunition for conducting rifle instruction and practice.

(xi) 10 U.S.C. 4651—Issue of arms, tentage, and equipment to support educational institutions that do not have ROTC but maintain a course in military training prescribed by the Secretary of the Army.

(xii) 10 U.S.C. 4652—Loan of rifles and issue ammunition for target practice to educational institutions having corps of cadets.

(xiii) 10 U.S.C. 4653—Issue of ordnance and ordnance stores to District of Columbia high schools.

(xiv) 10 U.S.C. 4654—Issue of quartermaster supplies at educational institutions that maintain a camp for military instruction of its students.

(xv) 10 U.S.C. 4655—Loan of arms and issue ammunition to other agencies and departments of the US Government.

(xvi) 10 U.S.C. 4656—Loan of aircraft and ancillary equipment to accredited aviation schools at which DA or Air Force personnel pursue courses of instruction.

(xvii) 10 U.S.C. 4683—Loan of obsolete or condemned rifles and accouterments to local units of recognized national veterans organizations for certain ceremonial purposes.

(xviii) 10 U.S.C. 4685—Loan of obsolete ordnance to educational institutions and state soldiers and sailors orphans' homes for purpose of drill and instruction.

(xix) 32 U.S.C. 702—Issue of supplies to State National Guard.

(xx) 33 U.S.C. 701n (Pub. L. 84-99 as amended)—Flood emergency preparation; emergency supplies of drinking water.

(xxi) 33 U.S.C. 1251 et seq (Pub. L. 92-500)—Federal Water Pollution Control Act.

(xxii) 42 U.S.C. 5121 et seq (Pub. L. 93-288)—Disaster Relief Act.

(3) Other statutory guidance:

(i) 10 U.S.C. 4307—Authorizes the establishment of a Director of Civilian Marksmanship (DCM).

(ii) 18 U.S.C. 1385—Unlawful use of Armed Forces in local law enforcement.

(iii) 18 U.S.C. 3056 (as amended by Pub. L. 91-651)—Powers and duties of Secret Service.

(g) *Responsibilities.* (1) The Commanding General (CG), US Army Materiel Development and Readiness Command (DARCOM), through the Materiel Readiness Commands' (MRC) commanders, is responsible for loans of materiel controlled by DARCOM wholesale supply points.

(2) Major Army commands (MACOM) CGs and commanders in chief (CINCs) of unified commands (UCOMs) are responsible for loans of materiel from supporting units and installations.

(3) The Director of Military Support, Office of the Deputy Chief of Staff for Operations (ODCSOPS), is the DOD point of contact for the Federal Disaster Assistance Administration (FDAA), other Federal agencies, and the National Red Cross in disaster assistance matters.

§ 623.2 Loan policies.

(a) *Loan and approval policy*—(1) *Basic policies.* (i) Materiel is not loaned to non-DOD activities as a routine procedure. However, materiel in the Army inventory is available for loan for special purposes if approved. Approving authorities are listed in table 2-1; their addresses are in appendix B.

(ii) Loans will be approved or disapproved based on the purpose, duration of the loan, and consideration of the following factors which can take precedence over any loan.

(A) Military requirements and priorities.

(B) Continuity of military operations, troop survival, and the rehabilitation of essential military bases.

(C) Stocks and programed Army requirements. This includes prepositioned mobilization reserve stocks.

(D) Type classification with pending changes.

(E) Minimum diversion of Army stocks.

(F) The adequacy of the borrower's resources. Requesters will be encouraged to use their own resources.

(iii) Loan requests from civilian authorities or activities will normally enter Army channels at the installation or MACOM levels. If on-post or off-